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C O N F I D E N T I A L SECTION 01 OF 03 CAIRO 008009

SIPDIS

NSC STAFF FOR POUNDS

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TAGS: [PTER](#) [ASEC](#) [CASC](#) [EG](#)

SUBJECT: UPDATE ON SECURITY CONDITIONS IN THE SINAI

REF: CAIRO 6986

Classified by DCM Stuart Jones for reasons 1.5 (b) and (d).

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Summary  
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11. (C) Three armed militants were killed and a fourth captured alive in late September, following several weeks of standoff in Jebel Halal, a remote region south of Al Arish, on Sinai's Mediterranean coast. The incident seemed to be a significant breakthrough for the GOE, but does not necessarily spell an end to security concerns in the Sinai. Israeli references to an Al-Qaida "base" in the Sinai are overblown - we have no evidence that the Sinai fugitives are numerous, particularly well-equipped, or directly connected to international terror networks. Many argue convincingly that recent security problems are homegrown and directly traceable to the GOE's Sinai development policies, which have neglected the indigenous population. Many, apparently even Prime Minister Nazif, believe that the GOE's employment of mass arrests after the October 2004 Taba bombings may have exacerbated tensions and set off a cycle of revenge and retaliation. End summary.

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Stalemate Broken(?)  
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12. (C) A stalemate between a small band of armed bedouin fugitives and Egyptian security forces may have been broken with the September 27 killing of Mousa Mohamed Badran, Khalid Mus'ad Salim, and Talib al-Murdhi, and the capture of a fourth, Yunis Mohammed. The four were part of an undetermined number of armed "outcasts" who had taken refuge in the Jabal Halal region south of Al-Arish. Members of Interior Minister Adly's staff told poloff that the September 27 killings and capture were an important step forward, but conceded that they did not necessarily mean the Jebel Halal area standoff was at a definitive end. Security forces are still deployed in the area and conduct regular patrols in pursuit of additional armed fugitives. Among those still at large, named in the Egyptian media, is Salim Shalloub, a bedouin thought to be active in Sinai's smuggling and criminal networks.

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Links to Taba, Sharm  
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13. (C) Although the GOE claimed to have captured or killed what it described as the nine principal conspirators of the Taba and Nuweiba terrorist attacks in October 2004, the GOE has since been conducting continuous search operations in the Sinai desert in pursuit of auxiliary suspects. Operations increased significantly in tempo following the July 23 bombings at Sharm el-Sheikh, in which more than 75 Egyptians and foreign tourists were killed. Unnamed security sources cited in the Egyptian media described one of those killed on September 27, Khalid Mus'ad Salim, a dentist by training, as "the principal planner and explosives technician" for the July 23 Sharm attacks. Minister of Tourism Ahmed Maghrabi also told the Ambassador that "the dentist" was the mastermind. (Comment: GOE announcements that a suspect has been killed or captured are often accompanied by claims that the suspect in question was the "mastermind" of a given terrorist cell or operation. End comment.) Other media reports have said that Shalloub, still at large, is the leader.

14. (C) The September 27 incident was the first sign of tangible progress for the GOE since its operations hit a punishing speed bump in late August. As discussed reftel, GOE forces in August zeroed in on a group of suspect armed bedouins hiding in Jebel Halal - a complex network of rock faces, wadis and caves about 50 km south of al-Arish. However, police were clearly unprepared for the stiff resistance they encountered from the hideouts - two high ranking police officers were killed and nine others were wounded when they wandered into an ambush. The GOE responded by laying siege to Jebel Halal, and an apparent stalemate ensued until the killings and capture of militants on September 27. Lower tempo police patrols and sweeping

operations are continuing.

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Al-Qaida Connection  
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15. (C) The Israeli government issued a travel warning on October 1 advising its citizens of intelligence reports indicating plans to abduct tourists in the Sinai. A subsequent statement of the Israeli Military Intelligence Chief, General Zeevi Farkash, warned that Al-Qaida has assumed control of some parts of the Sinai. (Note: Farkash's comments may have been inspired in part by a message posted in late September on an Al-Qaida website encouraging "mujahadeen" of the Sinai to rise up against the GOE. End note.) In any case, Farkash's statement prompted indignant denials by (unidentified) Egyptian security officials in the local and international media. The Israeli, who was likely making reference to Jebel Halal standoff, was correct in citing the situation as evidence of a genuine security threat in at least part of the Sinai, but his implication that Al-Qaida had established an enclave in the peninsula overstated the case.

16. (C) The GOE, both in its public statements and in private discussions with us, has maintained that the fugitives in Jebel Halal played supporting roles in the 2004 and 2005 attacks in Taba and Sharm and has characterized the group as "Bedouin outcasts" who had started off as petty criminals and, influenced by radical Islamic ideologies, had morphed into terrorists. However, the GOE has repeatedly insisted that its investigations turned up no evidence of links between the group and any international terror networks. (Comment: Some skeptics note that the GOE has a vested interest in downplaying links between the Taba and Sharm attacks and Al-Qaida or related international terror networks. The skeptics also argue that the operations were too sophisticated and effective to have been implemented without outside expertise and assistance. End comment.)

17. (C) Interior Minister Adly told Ambassador Jeffrey and delegation during their September 29 meeting that information obtained from Yunis Mohammed (captured on Jebel Halal on September 27) was consistent with the GOE's assertion that the group had no active links to outside groups. Adly allowed, however, that those responsible for the Sharm and Taba attacks shared a general ideological orientation with Al-Qaida and may have drawn inspiration from Qaida's actions and messages.

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Sinai Security Now  
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18. (C) Sinai has been quiet since the September 27 incident. Poloff, driving across the peninsula in early October, noted a tightening of security procedures, including mandatory police escorts for several remote stretches of road, but otherwise detected nothing out of the ordinary. Consul General, who visited Sharm El-Sheikh in early October, reported that physical security around tourist facilities had been greatly enhanced. Virtually every establishment had installed bollards, gates, and other protective devices. In addition, roads and desert tracks leading to the city were all controlled by police.

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Roots of Unrest  
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19. (C) A number of our contacts, and commentators in the Egyptian media, have argued convincingly that the recent emergence of security problems in the Sinai is directly traceable to the GOE's long-flawed governance of the peninsula. The GOE has offered little in the way of social services to the indigenous Bedouin, who have also seen little gain from the massive development of the tourist industry in the past two decades. The growth of the tourism sector in Sinai has been accompanied by an influx of Nile Valley Egyptians to staff the jobs created -- ranging from senior hotel management positions to grounds keeping and unskilled labor. As hotels and other tourist establishments have proliferated, so have land disputes and resource-sharing conflicts between indigenous bedouins and incoming Nile Valley developers, rarely if ever settled in the locals' favor.

110. (C) Many observers believe long standing grievances boiled over after the GOE responded to the 2004 Taba attacks with mass arrests of indigenous Sinai inhabitants, particularly in Al-Arish, where up to 2400 persons were detained without charge for months. Some believe the GOE has repeated this mistake with more mass arrests following the Sinai attacks, albeit on a lower scale, and argue that the GOE is setting itself up for a cycle of revenge and reprisal. As noted reftel, Prime Minister Nazif himself alluded to the

possibility that the July Sharm attack was in reprisal for early mass arrests during a late August media interview, subsequently issuing a clarification that he had full confidence in the way Egyptian security authorities had been handling the matter. The Sharm attacks have in fact been interpreted by some observers as a direct response to the post-Taba mass arrests, noting that while the Taba attacks appeared specifically targeted at Israeli tourists, the Sharm attacks, a series of explosions in the heart of Sharm's premier open-air entertainment district, was a more indiscriminate attack apparently directed at Egypt's tourist industry rather than at any particular national group.

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Comment  
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11. (C) While we do not share the GOE's absolute confidence that the Jebel Halal militants, and perpetrators of the Taba and Sharm attacks, had no connections to Al-Qaida or other affiliated terror networks, neither are we in possession of any evidence to the contrary. Clearly, references to Al-Qaida's establishment of a base of operations in Sinai are overblown. In the short term, given ongoing GOE security operations, we cannot rule out further attacks from this group of alienated and armed bedouin "outcasts." In the long run, the GOE will have to address the marginalization and grievances of the Sinai's indigenous population in order to construct a sustainable formula for security and economic development. End comment.

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